



Health Services
LOS ANGELES COUNTY

June 26, 2012

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Supervisor Zev Yaroslavsky, Chair
Supervisor Michael D. Antonovich
Supervisor Don Knabe
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas

FROM: Mitchell H. Katz, M.D.
Director

M. Katz

SUBJECT: **NOTIFICATION OF HEALTH SERVICES' USE OF
DELEGATED AUTHORITY TO EXECUTE AN
AMENDMENT TO REVISE THE SPACE ALLOCATION
TO CARES AGREEMENT AT LAC+USC MEDICAL
CENTER**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

This is to advise the Board that the Department of Health Services is exercising its delegated authority, approved on March 29, 2011 (attached), to execute Amendment No.1 to Agreement No. 704675, effective upon full execution by the parties, to revise the space allocation and use of space conditions at LAC+USC Medical Center (LAC+USC MC) by The Los Angeles County-U.S.C. Medical Center Auxiliary, also known as "CARES" Center Auxiliary for Recruitment, Education and Services (CARES).

The space is identified as rooms 3P33, 3P34, and outside play area located at the Outpatient Building of the LAC+USC MC, which was previously assigned to CARES and will now be used by the County as a temporary shelter for children awaiting placement. Amendment No.1 will delete the above space from the CARES Agreement Exhibit B-Schedule B-1.

County Counsel has reviewed and approved the Amendment as to form.

If you have any questions or require additional information, please let me know.

MHK:ev

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
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March 29, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF CHILD CARE, SHOPS, AND COFFEE BAR CONCESSION
SERVICES AGREEMENT**

**(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Request approval to execute an Agreement with the Los Angeles County -
U.S.C. Medical Center Auxiliary at LAC+USC Medical Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Agreement with the Los Angeles County – U.S.C. Medical Center Auxiliary, also known as “CARES” – Center Auxiliary for Recruitment, Education and Services, effective upon Board approval for 50 days, and thereafter shall be automatically renewed in 50-day increments until terminated by either party, for the provision of child care, shops, and coffee bar concession services at LAC+USC Medical Center (LAC+USC MC), at no cost to the County.
2. Delegate authority to the Director, or his designee, to execute future Amendments to the Agreement to revise the space allocation and use of space conditions, or update the standard provisions in the Agreement, subject to review and approval by County Counsel and notice to your Board and the Chief Executive Office.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#19 MARCH 29, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will authorize the Director, or his designee, to execute an Agreement with CARES, substantially similar to Exhibit I, for the continued provision of child care, shops, and coffee bar concession services at LAC+USC MC. The recommended Agreement supersedes and replaces the prior Agreement No. H-204491 with CARES, and is necessary to update the description of space usage to reflect the spaces at both the old General Hospital and the new LAC+USC MC, and the corresponding fair market values to support the County's recently issued tax-exempt bond financing, which is based on the value of the LAC+USC MC.

The successor Agreement also includes appropriate language to comply with applicable Internal Revenue Service requirements associated with government-issued, tax-exempt bond financing. Based on advice from the County's outside tax counsel, the Agreement term is in 50-day increments to ensure that the Agreement is not characterized as giving rise to private use of the applicable County space and thereby adversely impact the tax-exempt status of County-issued bond financing at LAC+USC MC.

Approval of the second recommendation will grant delegated authority to the Director to execute future Amendments, as needed, to revise the space allocation and use of space conditions, and periodically update standard provisions in the Agreement.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no monetary payment between the County and CARES. All profits from the concession services will be utilized to benefit patients at LAC+USC MC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 19, 1988, your Board approved an Agreement with CARES, with automatic one-year renewals, that authorized the use of space at various LAC+USC MC buildings, in accordance with California Government Code Section 26227, for a variety of services, including a child care program for the children of patients and low-income employees at LAC+USC MC, gift and thrift shops, and coffee bar concession services. The Agreement was amended twice to authorize increased use of space for CARES to operate an additional gift shop and child care center.

CARES' primary mission is to benefit the patients at LAC+USC MC by adding comfort to their hospital stay and providing services which help patients and their families access quality health care. Approximately 15,000 child care visits are recorded yearly for the children of patients receiving medical care and low-income employees at LAC+USC MC. Profits from the shops and concession services are dedicated to programs that benefit patients at LAC+USC MC. CARES has subcontracted for the coffee bar concession services for almost 10 years, as approved by the Department of Health Services (DHS).

The recommended Agreement authorizes CARES to utilize approximately 18,220 square feet of

The Honorable Board of Supervisors

3/29/2011

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space located in the old General Hospital and the new LAC+USC MC in order to provide child care services, gift and thrift shops, and coffee bar concession services.

The recommended Agreement includes all Board-required provisions and will become effective upon Board approval, with provisions to remain in force until either party provides a 90-day written notice of termination to the other.

County Counsel has approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the uninterrupted provision of child care centers, shops, and coffee bar concession services at LAC+USC MC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz", with a stylized flourish at the end.

Mitchell H. Katz, M.D.

Director

MHK:ev

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors